

# Article 27: Real Estate Transfer Fee

Informational Forum

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# Introductions

- Frank (Rich) Feeley, Concord Housing Foundation President
- Hannah Carrillo, Sustainable Neighborhoods Coordinator, City of Somerville
- Ellen Shachter, Director, Office of Housing Stability, City of Somerville
- Erin Zwirko, Assistant Director, Planning and Community Development, Town of Arlington



# What is a real estate transfer fee?

- A small fee assessed on the purchase price of residential and commercial real estate transactions.
- Creates a renewing and sustainable funding source for affordable housing.
- Tool used by 37 states (statewide, by counties, and/or by other jurisdictions) and the District of Columbia.
- Legislation has been submitted to establish a Local Option; Home Rule Petitions have been submitted by Boston, Brookline, Concord, Nantucket, Somerville, among others.



# Article 27

- Seeks Town Meeting approval to submit a Home Rule Petition to establish a real estate transfer fee.
- Seeks authorization to establish a fee on purchases that exceed the statewide median single-family home sales price (\$445,500 for 2020).
- Seeks authorization to establish a fee that ranges between 0.05% and 2%.
- Seeks authorization to establish a number of exemptions.
- All revenue would be transferred to the Arlington Affordable Housing Trust Fund.



# Home Rule Petition Process

- Town Meeting considers approval to submit Home Rule Petition
- If approved, the Town would request the Legislative Delegation to file the Home Rule Petition.
- If the Legislature approves during current Legislative Session, the Town would develop the bylaw.
- The Bylaw would have to be adopted by Town Meeting and approved by the Arlington voters.
- Opportunities throughout for public input.



# Relationship to Affordable Housing Trust Fund

- Creates a sustainable and renewing funding source for the Trust Fund.
- Funding could support the average cost of developing affordable housing which often exceeds local and state funding sources.
- The Trust Fund Board of Trustees would develop a 5-year action plan through a public process that identifies:
  - Goals and priorities
  - Funding sources
- The funding potential for the Trust Fund through the fee would enable a holistic and well-capitalized effort.

